The Chasm

Over 25 years ago, Geoffrey Moore developed the model "Crossing the Chasm", describing the cycles through which products move. Pascal uses examples to explain how the model works and why it is more important today than ever before.

Learning contents

- **Buyer groups for new products**
- **What is the Chasm?**
- **How can it be circumvented?**

Let me give you one more model.

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Geoffrey Moore 25 years ago wrote a book called 'Crossing the Chasm'.

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It was a stable read for everyone in marketing.

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I believe that model is more important today than it was 25 years ago.

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Let me try to explain the model to you.

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It's not that hard to understand.

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The idea is that over time a product gets sold to different people,

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different types of people and in different quantities.

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So it starts out with what we call the 'Innovator'.

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So people are selling kind of to themselves.

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The very small amount of people who are your inner circle, very few people.

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And then you get to 'Early Adopters'.

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Early Adopters are the crazy ones.

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They are like me, going on kickstarter, buying the first smartwatch,

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and people like me, we are okay if the watch doesn't really work that well,

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if we need to update the firmware, all that stuff.

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We have a very specific desire to be at the very forefront of what's possible.

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And then from there you go to 'Early Majority'.

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Early Majority are the cool kids.

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They wanna have the stuff, but it needs to work.

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If you wear an Apple Watch today, you are very most likely one of those.

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And then you get to the 'Late Majority'.

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That's where you sell the most amount of your product.

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The Late Majority is, you know, my mum, seeing me running around with a smartwatch,

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and seeing it and saying: 'This is cool, I wanna have one'.

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But for her the product really needs to work.

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And then you've got something called the 'Laggards'.

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Those are the people who are very at the tale end of the product,

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like my grandma wanting to buy a watch,

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and there is no other watch anymore than the smartwatch.

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What Geoffrey Moore found in this model is that

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between each of these groups there is a little bit of a gap, a chasm.

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But there is a really big chasm between the Early Adopters and the Early Majorities.

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It's the reason why literally 99% of Silicon Valley companies die,

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because they kind of sell to themselves, but they never get to sell to the main market.

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It's really important to understand this.

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Particularly, if you bring to market a new technology.

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Let me give you an example: The self-driving car.

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I was at eBay, sorry, I actually was at Google, I was at eBay before,

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but I was at Google and we developed the self-driving car,

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and I am sitting in the self-driving car and if you sit in the self-driving car today,

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one of the weirdest, eery things, and it freaks you out,

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and it freaked me out, and I am an Early Adopter,

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is the fact that the steering wheel moves by itself.

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I don't know if you have ever seen this in a video,

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if you didn't, go on YouTube, check it out, its really, really weird.

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That's a chasm, it's the reason why I believe

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the current generation of self-driving cars is not mass market compatible,

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because people freak out when they sit in the car.

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They feel out of control.

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So how do you overcome this problem?

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Well, there is a bunch of ways you can solve all this.

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Here's one - you can write on the steering wheel:

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"Everything is fine, we've got you under control".

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Might not work.

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Or you do what Google's self- driving car division 'Waymo' did.

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They engineered the steering wheel away.

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In the newest cars from Waymo, there is no steering wheel anymore.

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You just punch in the address, you sit back and the car just drives you somewhere.

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You engineered the problem out of the way.

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It's really important to unterstand this.

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When you bring a new technology to the market, a new product which is disruptive,

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you will most likely find these chasms,

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and you need to identify them and you need to figure out how to solve them.

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And there's different ways to do so.

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There's no, you know, one way cookie-cutter,

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but do the work, figure out how you can solve these problems,

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and then you can solve them,

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cause that's the only way you survive the chasm.
